



*Federal Bureau of Investigation
Phoenix, Arizona*

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SCOTTSDALE MAN PLEADS GUILTY TO INVESTMENT FRAUD OF OVER \$28 MILLION

PHOENIX - Robert Alexander, 41, of Scottsdale, Ariz., pleaded guilty on Friday, April 28, 2006, to Wire Fraud and admitted to devising a scheme to defraud an investor by convincing him to invest \$350,000 in his company, R & S Marketing. Alexander admitted to not investing the money as promised and that the profits he returned to the investor were in reality simply a partial return on the investment.

Robert F. Alexander was indicted in May 2005 along with Michael Alexander, 42, of Mesa, Ariz.; and David J. Miller, formerly of Mesa, Ariz., 46, on federal charges related to a fraudulent investment scheme during which individuals were solicited to invest in non-perishable goods destined for export overseas. Victims were led to believe that their investment would produce a high rate of return upon the purchase and re-sale of the non-perishable goods.

In reality, the defendants conducted a Ponzi Scheme, a scheme in which a portion of the returns were paid to initial investors from monies paid into the scheme by newer investors. The indictment alleged that the defendants transferred approximately \$28 million dollars between July 2000 and January 2005.

"It is unfortunate when consumers believe they are investing in a legitimate company, only to find out they have been defrauded. Investors should be cautious of claims of an extremely high rate of return on their investment," stated U.S. Attorney Paul K. Charlton. "And those who conspire to defraud such investors should know that they will be held accountable."

FBI Acting Special Agent in Charge Keith Bennett advised, "World and national events impact the stock market enough; we do not need fraudulent activity to compound its fluctuations. Ponzi schemes are nothing new, but are types of fraud which have dramatically increased and are now often perpetrated with the use of the Internet. The FBI is committed to deterring this type of criminal activity by using traditional and innovative investigative techniques, and through prevention by alerting and educating the public about these pervasive financial crimes."

Robert Alexander, currently in custody, is scheduled to be sentenced on July 17, 2006, at 2:30 p.m. before the U.S. District Judge David G. Campbell. The maximum penalty for Wire Fraud is 20 years in prison, a \$250,000 fine or both. Michael Alexander previously pleaded guilty and is pending sentencing. David Miller is currently pending trial.

The investigation preceding the indictment was primarily conducted by the FBI with assistance from the Criminal Investigation Division of the Internal Revenue Service; the Food and Drug Administration, Office of Criminal Investigations and the Scottsdale Police Department. The prosecution is being handled by Michelle Hamilton-Burns, Assistant U.S. Attorney, District of Arizona, Phoenix.

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